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## County of Los Angeles COMMUNITY AND SENIOR SERVICES

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*Enriching Lives Through Effective And Caring Service*



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Chief Deputy

June 09, 2015


The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

25 OF JUNE 9, 2015

  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

### **DELEGATE AUTHORITY TO TAKE ACTIONS TO ENSURE COMPLIANCE WITH THE WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA) AND EFFECTIVELY TRANSITION FROM THE WORKFORCE INVESTMENT ACT (WIA) (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

#### **SUBJECT**

Community and Senior Services (CSS) seeks delegated authority from your Board to take the recommended actions below to ensure the County's workforce development system meets new federal legislative mandates of WIOA beginning July 1, 2015 in order to be in full compliance with WIOA by June 30, 2016. The authority sought will ensure the County is able to effectively transition from WIA to WIOA and more rapidly meet business and employers' needs through comprehensive, integrated and streamlined services that place a greater priority on serving the County's hardest-to-serve residents by: (1) amending, extending and funding current adult and youth workforce service provider contracts; (2) accepting and allocating new funding for adult and youth workforce services; (3) increasing allocations by greater than 10% for adult and youth workforce service contractors; and (4) awarding contracts of up to \$250,000 to expedite program innovations to achieve the new mandates in WIOA.

#### **IT IS RECOMMENDED THAT THE BOARD:**

1. Delegate authority to the Director of CSS, or designee, to amend, extend and allocate estimated funding of \$27.2 million for a 12-month period (as reflected in Attachment A) for current Adult, Dislocated Worker, Rapid Response, and Out-of-School Youth provider contracts including training and wages for at least 12 months and not more than 18 months and In-School Youth provider contracts for at least six (6) months and not more than 12 months to maintain workforce development services to allow time to complete the procurement of contracted agencies to operate

America's Job Centers of California (AJCC) under WIOA. Funding levels reflect preliminary allocations published by the State Employment Development Department (EDD). Contracts extended beyond 12 months would receive additional awards of up to an aggregate of \$13.6 million based on performance and program needs.

2. Delegate authority to the Director of CSS, or designee, to accept and allocate new funding for adult and youth workforce services and notify your Board and the Los Angeles County Workforce Development Board (WDB)—the local workforce advisory board mandated by WIOA—within ten (10) days of acceptance.

3. Delegate authority to the Director of CSS, or designee, to increase allocations to the contractors in Attachment A, as identified in Recommendation 1 above, for the duration of their contracts, that may exceed the current limit of 10% for adult and youth workforce service contractors based on availability of funding and contractor performance, provided that CSS notify your Board and the Chief Executive Office, in writing, within ten (10) days of the increase.

4. Delegate authority to the Director of CSS, or designee, to award and execute contracts/agreements, approved as to form by County Counsel, and award WIOA funding for strategic training initiatives for in-demand occupations in high growth industry sectors that meet the employment needs of businesses, as approved by the WDB, up to \$250,000 per contract, provided that CSS notify your Board and the Chief Executive Office, in writing, within ten (10) days of award. This delegated authority shall expire on June 30, 2017.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions will ensure the County's workforce development system is able to transition to and comply with WIOA's new mandates by July 1, 2016.

Recent federal guidance on WIOA implementation directs local workforce systems to take immediate action to achieve the vision of modernizing the workforce system and ensuring it operates as a comprehensive, integrated and streamlined system that expands opportunities for all workers and businesses. At the same time, federal guidance {Department of Labor (DOL) Employment and Training Administration (ETA) Training and Employment Guidance Letter (TEGL) No. 19-14 (February 19, 2015)} insists that those in the current system not be negatively impacted while concrete steps are taken towards implementation of the full WIOA vision by July 1, 2016. To this end, CSS seeks authority to amend, extend and fund current workforce development system contracts such that participants continue to receive quality services that meet the basic WIOA compliance requirements that commence July 1, 2015, while it plans for full implementation.

Authority is sought to extend and allocate funding for current Adult, Dislocated Worker, and Out-of-School Youth provider contracts for at least 12 months, and not more than 18 months, to ensure the continuance of job-related employment, placement, and training services to youth, veterans and other residents without break in service and in compliance with WIOA regulations. Similar authority is sought for Rapid Response contracts to ensure continuance of rapid response workforce services to assist businesses and workers in mitigating the impact of mass layoffs, business closures, and natural or other disasters on the local economy.

WIOA mandates priority of service to Out-of-School and Disconnected Youth requiring at least 75% of youth funding be spent on this population. As such, the Los Angeles County Workforce Investment

Board, the local board formed pursuant to the requirements of WIOA, established a priority to serve only out-of-school youth effective July 1, 2015 to ensure this mandate is met. As a result, the WIOA In-School Youth (ISY) program will be phased out over Program Year (PY) 2015-16. To this end, CSS seeks authority to extend In-School Youth provider contracts, for at least six (6) months and not more than 12 months, to ensure all federally mandated follow-up activities are conducted and the program is phased out effectively in compliance with statutory requirements for continued quality services and achievement of federally mandated program outcomes. During this time, CSS will be simultaneously designing, procuring and preparing to implement a WIOA-based youth system that emphasizes services to out-of-school, disconnected young adults with employer-needs-driven trainings that ensure the County's hardest-to-serve young adults secure jobs that lead to a career pathway in demand industry sectors according to WIOA's vision.

Authority to accept and allocate new funding for adult and youth workforce services will allow CSS to compete for new funds effectively and quickly. This authority is imperative given that a significant increase in federal and state competitive workforce development funding is expected. CSS must be positioned with ample flexibility and time-sensitive responsiveness to compete for such funding to ensure our system achieves success in meeting WIOA's greatly expanded mandates to serve larger numbers of job seekers with significant barriers to employment.

Consistent with Board of Supervisor's Policy No. 5.120, we are requesting authority to increase allocations that exceed the current limit of 10% for existing adult and youth workforce service contracts as this will enable the department to respond to rapid changes including, but not limited to, those that require utilizing the potential availability of additional funding in a timely manner effectively responding to contract termination or suspensions, adding new programs, and responding to changes in funding source guidelines or requirements.

WIOA expands mandates for innovative service delivery strategies and contracting approaches to enhance services for jobseekers and employers alike. This includes braiding federal workforce development funds with other resources such as state, federal, and private competitive workforce development grants to enhance workforce development initiatives; reduce duplication of services; strengthen collaboration; regional planning including regional service delivery strategies and analysis of regional labor market data; local training activities such as on-the-job, customized, incumbent worker, skill upgrading, and occupational skills trainings; pay-for-performance contract strategies that specify fixed amounts to be paid to eligible service providers (e.g., community colleges, community-based organizations or other training providers) based on achievement of specific levels of performance; and the development of effective linkages including the use of intermediaries with regional employers to support their utilization of the workforce development system.

As TEGL 19-14, on the vision of WIOA, clearly calls upon our local workforce development system to invoke the innovation and flexibility that is imperative to meet these expanded mandates of WIOA, CSS must engage in agreements with entities that will ensure our system's infrastructure and capacity is duly developed to effect quality, competitive services that meet the real-time employment demands of local industry. For instance, CSS must have the flexibility to quickly establish agreements with such entities as higher education, community colleges, and advanced-training providers capable of providing the training necessary to equip job seekers with industry recognized skills and certifications for in-demand occupations and sustainable careers in the County's high-growth industry sectors.

Providing delegated authority to CSS to award and execute contracts/agreements up to \$250,000, approved as to form by County Counsel, will enable CSS to enter into agreements with qualified and eligible training providers to develop and deliver specialized cohort training that meets the needs of

businesses and job seekers This is especially critical as WIOA program requirements will continue to develop with short, advanced notice and thus require rapid innovation and adaptation. The delegated authority requested in Recommendation 4 is solely applicable to service contracts for the WIOA program. All commodities purchases by CSS will continue to be made in accordance with County policies and procedures under the general purview of the County Purchasing Agent and the Internal Services Department. Any contract awarded under this delegated authority will be funded using funds allocated in CSS's budget.

The actions outlined above will ensure the County is not only compliant, but also competitive, in comprehensively meeting WIOA's mandate to provide expanded, more prescriptive and innovated quality services that prepare and train the County's hardest-to-place residents to meet the real-time employment needs of the region's businesses and industry.

#### Performance Measures

DOL ETA TEGL30-14 on WIA Performance Performing for PY 2015 (April 28, 2015) clarifies that WIOA performance provisions do not take effect until July 1, 2016, and that the ETA is extending all currently negotiated PY 2014 goals into PY 2015 while local areas plan to achieve and measure WIOA performance by July 1, 2016. To this end, the contract extensions requested will include requirements to achieve new performance outcomes mandated by WIOA. Existing performance outcomes that will be continued include placement into unsubsidized employment or post-secondary education and job retention. WIOA mandates new outcomes that will measure effectiveness in serving employers, skills gain in training and/or education, attainment rate of recognized post-secondary credential or degrees, and increase in median income. Department of Labor and the State will provide guidance as to how these outcomes are to be measured by June 2016. Authority requested from your Board will ensure that contractors are able to meet the new WIOA performance measures.

#### **Implementation of Strategic Plan Goals**

The recommended actions support Countywide Strategic Plan Goal 1: Operational Effectiveness; Goal 2: Fiscal Sustainability; and Goal 3: Integrated Services Delivery.

#### **FISCAL IMPACT/FINANCING**

There is no Net County Cost (NCC) impact as the WIOA programs referenced herein are fully financed by federal funding. The Board authority requested will allow CSS to allocate an aggregate of \$27.2 million of federal funds during a period of 12 months to support our workforce development programs. In instances where the contract term is above or below 12 months, the funding will be allocated based on performance and program needs. The distribution of training allocations will be determined by CSS based on such factors as high-growth industry sector demands, business needs, and contractor performance and demonstrated capability in accordance with the goals and focus of WIOA.

#### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

On July 22, 2014, President Obama signed WIOA into law—the first legislative reform of the public workforce system in 15 years that amended and reauthorized the Workforce Investment Act of 1998. This landmark legislation, which goes into effect on July 1, 2015, lays the framework for

unprecedented innovation and coordination of four major federally funded programs for collective impact on increased self-sufficiency of those most reliant on our public systems. The most notable changes in the new legislation are greater alignment of the workforce development system with economic development and education; a new paradigm for an employer-centric system that mandates greater employer engagement and enhanced business services; and an emphasis on training and subsidized work experience for adults and out-of-school, disconnected youth in in-demand occupations with career pathways in high-growth industry sectors.

These changes task the WDB, CSS and its contracted system of providers with several new requirements that must be met to ensure the effective delivery of services that realize the full vision of WIOA: a revitalized workforce that is a product of more intentional alignment of workforce, labor, education, rehabilitation, and public assistance resources resulting in an integrated, streamlined workforce system. Some of these increased requirements include: measuring effectiveness in serving employers; prioritizing services to disconnected youth, those on public assistance, those with disabilities, and the formerly incarcerated; establishing partnerships and business-responsive skills development trainings with local educational institutions; aligning services, dollars, program tracking, and outcome measurement with 14 mandated WIOA partners; collocating, resource sharing, and establishing functional operations among WIOA-mandated partners from different agency cultures in a single AJCC facility; and establishing concrete, stepped career pathways within seven identified high-growth industry sectors to impact the local economy.

While CSS and the WDB will meet a series of implementation deadlines (Training and Employment Notice 05-14) of key WIOA statutorily required implementation dates between now and June 30, 2016 to ensure our workforce system meets the full intention of WIOA, the legislation's regulations take effect as early as July 1, 2015. Federal guidance (TEGL 19-14) requires the development of WIOA transition plans that progress towards meeting new WIOA programmatic requirements, while at the same time taking into consideration how current WIA participants are impacted in the WIOA transition. Hence, CSS must ensure its current contractors are meeting the requirements of the new law on July 1, 2015, while at the same it must research, design, procure and implement a system that meets the full spirit and intent of the forward-thinking legislation on July 1, 2016. Guidance further calls upon our local workforce development system to invoke innovation necessary to meet WIOA's expanded requirement for quality, competitive services that meet the real-time employment demands of local industry. CSS seeks to meet this challenge with the authority requested to extend and amend current contracts and to engage in agreements with entities that will ensure our system's infrastructure and capacity are sufficiently developed to successfully meet WIOA's new mandates.

## **CONTRACTING PROCESS**

On June 17, 2014, your Board approved one-year contract extensions with current ADW, Youth, Rapid Response and Veterans' Program contractors to allow time to secure facility space with EDD and plan the implementation of the Integrated Services Delivery (ISD) model. A few weeks later, on July 22, 2014, WIOA was signed into law. The current WIA program contract extensions are set to expire on June 30, 2015. CSS is seeking delegated authority to extend the terms of these contracts for at least 12 months and not more than 18 months, with the exception of ISY contracts that would be extended for at least six (6) months and not more than 12 months, in order to ensure full compliance with the new WIOA regulations and complete the new procurement cycle. CSS expects to release the RFP to procure the new WIOA system Fall 2015 and to have the new contractors funded and operational by July 1, 2016.

Monitoring

CSS will continue to contract with the County's Auditor-Controller's (AC) office to conduct fiscal and contract compliance monitoring of all of its WIOA contractors in the same manner as has been done for WIA since 2004. In addition to the AC's efforts, CSS will monitor contractor performance and invoices. CSS will continue to conduct resolution processes with contractors, as required by the funding source, to ensure that any findings or issues are corrected, remediation completed, and, when appropriate, sanctions or contract remedies applied.


**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will allow for the continued provision of workforce development services to job seekers and employers within Los Angeles County without risking a break in service during the process of transitioning from the existing WIA contractors to the WIOA-contracted system that is expected to be procured and operational by July 1, 2016 as described.

**CONCLUSION**

Should you have questions, please contact Josephine Marquez at (213) 738-3175 or [jmarquez@css.lacounty.gov](mailto:jmarquez@css.lacounty.gov).

Respectfully submitted,



CYNTHIA D. BANKS

Director

CDB:JM:CSH

Enclosures

c: Chief Executive Officer  
County Counsel  
Executive Officer, Board of Supervisors

WIOA Transition  
FY 15-16 Contract Extension  
Annual Funding Amounts

ATTACHMENT A

Agencies	Supervisory District	Adult	Dislocated Worker	Rapid Response	ADW Sub-Total	In-School*	Out-of-School	Youth Sub-Total	Total Funding
	(A)	(B)	(C)	(D)	(E) = B+C+D	(F)	(G)	(H) = F+G	(I) = E+H
Antelope Valley Consortium	5th	678,799	410,941		1,089,740				1,089,740
Arbor E&T LLC - East Los Angeles	1st	490,613	465,022		955,635				955,635
Arbor E&T LLC - Florence Firestone	2nd	190,736	180,798		371,534				371,534
Asian Youth Center	5th						560,000	560,000	560,000
AYE Catholic Charities	1st and 2nd						1,120,000	1,120,000	1,120,000
City of Los Angeles -HACLA	2nd						560,000	560,000	560,000
City of Los Angeles -NE San Fernando	3rd	183,260	112,340		295,600				295,600
City of Palmdale	5th	323,183	195,746		518,929				518,929
City of Palmdale-Countywide Veterans	1st, 2nd, 3rd, 4th and 5th	455,000	195,000		650,000				650,000
Community Career Development	2nd	313,508	189,785		503,293				503,293
Community Career Development - South Los Angeles	2nd and 4th	453,465	363,252		816,717				816,717
Goodwill - Central San Gabriel Valley	1st and 5th	502,626	476,029	276,000	1,254,655				1,254,655
Goodwill - Pomona	1st	358,654	217,134		575,788				575,788
Hub Cities Consortium	1st and 2nd	872,842	528,583		1,401,425	214,290	560,000	774,290	2,175,715
Jewish Vocational Services - West Hollywood	3rd	129,730	78,534		208,264		560,000	560,000	768,264
Jewish Vocational Services - West Los Angeles	2nd, 3rd and 4th	249,618	151,208	276,000	676,826				676,826
LA County Office of Education	1st and 5th					428,565		428,565	428,565
Managed Career Solutions - API Center	5th	190,176	115,221		305,397		560,000	560,000	865,397
Managed Career Solutions - West San Gabriel Valley & East San Gabriel Valley	1st, 2nd and 5th	946,651	574,867		1,521,518		560,000	560,000	2,081,518
Mexican American Opportunity Foundation	1st					214,290		214,290	214,290
Santa Anita Family Service	1st				-	428,565	560,000	988,565	988,565
Southeast Area Social Services Funding Authority	1st and 4th	673,271	407,606	276,000	1,356,877	214,290	560,000	774,290	2,131,167
<b>SUB-TOTAL</b>		<b>7,012,132</b>	<b>4,662,066</b>	<b>828,000</b>	<b>12,502,198</b>	<b>1,500,000</b>	<b>5,600,000</b>	<b>7,100,000</b>	<b>19,602,198</b>
<b>TRAINING &amp; WAGES**</b>		<b>3,070,600</b>	<b>2,029,400</b>		<b>5,100,000</b>		<b>2,400,000</b>	<b>2,400,000</b>	<b>7,500,000</b>
<b>GRAND TOTAL</b>		<b>10,082,732</b>	<b>6,691,466</b>	<b>828,000</b>	<b>17,602,198</b>	<b>1,500,000</b>	<b>8,000,000</b>	<b>9,500,000</b>	<b>27,102,198</b>

\* Includes twelve (12) months of funding. Six (6) months with an option to extend for another six (6) months.

\*\*The distribution of training allocations will be determined by CSS based on such factors as high growth industry sector demands, business needs, and contractor performance and demonstrated capability.